

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

April 3, 2001

ORDER APPROVING
STIPULATION

CONSUMERS MAINE WATER COMPANY
- OAKLAND, Proposed Rate Change
(11.48% Increase in Revenue)

Docket No. 2001-8

CONSUMERS MAINE WATER COMPANY
- KEZAR FALLS, Proposed Rate Change
(26.4% Increase in Revenue)

Docket No. 2001-24

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order we approve a Stipulation between the Public Advocate (OPA) and Consumers Maine Water Company's Oakland Division (Oakland) and Kezar Falls Division (Kezar Falls) allowing an 11.96% rate increase for Oakland and a 26.72% increase for Kezar Falls.

II. BACKGROUND AND DECISION

On January 5, 2001, Consumers filed a proposed rate increase for the Oakland Division of 11.48%. It subsequently updated its filing based on actual year 2000 results. This increased its proposed increase to 11.96%. On January 9, 2001, Consumers filed a proposed increase on behalf of its Kezar Falls Division of 26.4%. It subsequently updated its filing to request 27.68%. The primary reasons for the increases are increased operating costs since rates last increased for both Divisions in 1995.

On February 12, 2001, a prehearing and a technical conference were held in both dockets. The Public Advocate petitions to intervene were granted. Following a period of written discovery, a second technical was held on March 15, 2001. The Public Advocate and representatives of the Town of Oakland participated in the technical conference.

On March 23, 2001, the Public Advocate and Consumers filed a stipulation to resolve all issues in these two rate proceedings. Under the Stipulation, Oakland's revenue requirement will increase \$67,253 or 11.96%. Kezar Falls' revenue requirement will increase \$51,976 or 26.72%. In addition, Consumers agrees to install a new water main across the Ossipee River to improve flow capacities to the Towns of Porter and Hiram, using state revolving loan funds, and to support the Town of Hiram's efforts to apply for grant assistance for the project.

In approving a stipulation, we consider whether the parties joining the stipulation represent a sufficiently broad spectrum of interests, whether the process leading to the stipulation was fair and whether the stipulated result is reasonable and not contrary to legislative mandate. See e.g., *Consumers Maine Water Company, Proposed General Rate Increase of Rockland and Hartland Divisions*, Docket No. 96-739 (July 3, 1997) at 2. The Public Advocate represents the using and consuming public; in this case the customers of both Divisions. No other parties intervened but the Stipulation also address the concerns raised by the Town of Hiram about the inadequacy of fire flows. The process of discovery and two technical conferences allowed an opportunity for all interested persons to gather information about the reasons for the increase.

We believe a fair process occurred with all interested parties having an opportunity to participate. We find that the proposed Stipulation adequately resolves these cases. We will therefore allow the rate schedules filed with the Stipulation to go into effect as of the date of this Order.

Accordingly, we

O R D E R

1. That the Stipulation (attached to this Order) filed in Docket Nos. 2001-8 and 2001-24 on March 23, 2001 is approved.
2. That Kezar Falls Division Rate Schedules Pages 1,2,3,4 (fourth revisions) filed on March 23, 2001 are approved.
3. That Oakland Division Pages 1,2,3,4 (fourth revisions) filed on March 23, 2001 are approved.

Dated at Augusta, Maine, this 3rd day of April, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.